

and of the meeting hereinafter provided for in two daily newspapers published in the county or city where such corporation is located, may, with the consent in writing of two thirds of the members of such corporation and the consent of three-fourths of its directors, become a joint stock corporation, subject to the existing laws of this State applicable to such corporations. The policy holders of said company shall have the first right to subscribe to said stock, subject to such equitable regulations as the directors may prescribe, but all such subscriptions must be made in cash, and at not less than par, and the assets and liabilities of the mutual company shall thereupon be and become the assets and liabilities of the joint stock company, except so far as herein otherwise provided. The reserve fund, if any, of the mutual company shall be and become reserve of the joint stock company, except so much of said reserve fund as may, on examination by the Insurance Commissioner, be deemed to be the interest in said reserve fund of those members of the mutual company who do not desire to become members of the said stock company, and said reserve, less the provision made above for the protection of outstanding mutual policy holders, or any part thereof, may be deposited with the Treasurer or Insurance Commissioner of Maryland, as guarantee capital for the payment of the policies of insurance issued by said company, as required by section 116 and section 128 of this article, and the mutual policies and all the rights and liabilities attached thereto, and all the powers and obligations of the company with reference to the same, shall survive so long as said policies shall remain in force, except that such policies shall be thereafter considered as policies for the largest amount which, according to their terms, might be payable thereunder, in case the assessment provided for should yield a sufficient amount to pay the same, and, if any certain number of assessments be specified upon said policies as payable by the holders thereof, the company shall not be entitled to levy any further assessments, even although such rights may have been expressly reserved in the policy; provided, however, that before any such company shall be entitled to do business as a stock company as aforesaid, the Insurance Commissioner shall, upon request, value the assets of the said company and its outstanding policies, and shall find and give his certificate that the admitted assets of